

LEASE FOR USE AGREEMENT RELATING TO OBJECTS OF ART (LEASE OF OBJECTS OF ART)

Entered into by and between:

the **Hungarian National Museum** (Magyar Nemzeti Múzeum, hereinafter: MNM)

H-1088 Budapest, Múzeum krt. 14-16

Telephone: (36) 1-327-7700

Fax: (36) 1-327-7790,

represented by László Csorba the Director General of MNM,

as **Lessor**,

on the one hand,

and

the **Slovak National Gallery** (Slovenská národná galéria, hereinafter: SNG)

Riečna 1, 815 13 Bratislava, Slovakia

Telephone: +421-2-2047-6238

Fax: +421-2-5443-3971

represented by Alexandra Kusá Phd. the Director General of SNG

as **Lessee**,

on the other hand,

(hereinafter collectively: Parties), at the place and date stated hereinbelow, under the following terms and conditions.

Section 1. Legal Background

- (1) This Agreement and the legal relation resulting therefrom shall be governed in each respect by the provisions of Act V of 2013 on the [Hungarian] Civil Code (hereinafter: Ptk.), particularly Title XVII. with particular regard to Chapter XLVI on the Lease for Use. The issues derived from the Agreement shall be interpreted with regard to Ptk.
- (2) In the course of the performance of the Agreement the provisions of Act LXIV of 2001 on the Protection of the Cultural Heritage shall also be taken into consideration.
- (3) Each disputed issue resulting from the Agreement shall be deemed to have been construed on the basis of the laws of Hungary, the Agreement shall be governed in each respect by the Hungarian law (see furthermore Section 10(2)).

Section 2. Subject of the Agreement

- (1) The Lessor shall lease the Lessee, and the Lessee shall lease for use the object(s) listed in Annex No. 1 to this Agreement for the period of time lasting

under the following terms and conditions, for the purpose of the exhibition specified hereinbelow (see here subsection (2)) or for another purpose (see here subsection (3)).

- (2) The exhibition's:

title: Košice Modernism and its wider Context

location: **SNG, Esterhazy palace** (Námestie Ľudovíta Štúra 4, 811 02 Bratislava
Slovak Republic)
duration: 4 December 2014 – 15 March 2015

- (3) For another purpose specified hereinbelow: _____.
- (4) The leased objects may be used exclusively for the purpose specified in subsection (2) or (3) above. Any change, whatsoever, in the way of use shall require the Lessor's prior written consent.
- (5) The lease shall last from house to house, i.e. it shall commence upon the loading of the affected objects on the means of transportation at the original location with the Lessor, and last until return to the same place or until the arrival at another location indicated by the Lessor.
- (6) As of the expiry of the period of lease the Lessee shall return each leased object of art completely, in their original condition to the Lessor, without request and without delay.
- (7) If the extension of the period of leased becomes necessary, the Parties shall agree thereon under a separate agreement. Any alteration in the deadline shall be agreed on by the Parties prior to the termination of the Agreement in writing and in due time, but no later than six (6) weeks prior to the original planned end of the period of lease. The Lessor is entitled but not obliged to extend the period of lease. The Lessor may only permit the extension of the period of lease through a written amendment to this Agreement. All costs incurred through the extension of the period of loan shall be borne by the Lessee.
- (8) The leased objects and the insured values thereof are listed in Annex No. 1 to this Agreement. This Annex No. 1 constitutes an inseparable part of this Agreement. Upon the execution of this Agreement, the Lessee agrees to be bound by the insured values determined by the Lessor. The Lessee declares that in no event in the case of any dispute arising out of this Agreement shall it dispute the values of the borrowed objects as included in Annex No. 1. In connection with any change in the prices of the objects, see Section 3(3).
- (9) If the Lessee will not request certain objects already specified by its application for lease, it shall pay the Lessor the costs incurred as of the date of the execution of this Agreement (thus e.g.: the costs of restoration already carried out, of the climatized showcases, glazing and frames, the costs of the ectachromes and photos already multiplied, the costs of transportation required for the preparation of the exhibition, as well as the cost of the cases etc. already prepared).

Section 3. Insurance

- (1) The Lessee shall insure the leased objects for the full period of the lease defined in Section 1 (including the transportation to and from) at its own expense, to the benefit of the Lessor, with the insurance company approved by the Lessor, with a nail-to-nail and house-to-house, i.e. all-risk insurance (thus e.g. for the local repair, restoration of the damaged object, for its special packing and transportation, etc.), against all risks, including the force majeure, all kinds of the acts of God and natural catastrophes, for the amount indicated in Annex No. 1.
- (2) The Lessee shall be liable to the Lessor up to the insured value defined in Annex No. 1, even if the insurer fails to refund the full coverage of the damage or if it is released from its payment obligation for any reason whatsoever (with particular regard to Section 556(1) of Ptk.).
- (3) The Lessee shall bear all costs of the insurance in such a manner that the Lessee will receive the duplicate copy of the insurance policy and the invoice of the insurance premium (which it shall settle by direct payment to the insurer), while the Lessor will receive the original copy of the insurance policy, from which it shall appear that the insurance has been taken out to the benefit of the Lessor, i.e. the insurer may perform any payment exclusively to the Lessor in case of the occurrence of an event of damage. The original insurance policy shall be transferred into the possession of the Lessor not later than 35 days prior to the planned dispatch of the lent objects of art.
- (4) The Lessee may not seek for an amendment to the insurance contract without the awareness and permission of the Lessor.
- (5) In case of a material change (of at least 3%) in the price level, the Lessor will be entitled to repeatedly determine the value of the leased objects. The Lessor shall notify the Lessee in writing of the new value, provided, however, that the new value shall come into force a week after the notice.

- (6) If the Lessor consents to the extension of the exhibition, the Lessee shall arrange at its own expense for the appropriate extension of the insurance coverage, and it shall hand over to the Lessor the original policy blocked for the Lessor's benefit and/or the comfort letter in such a timely manner that it will arrive at the Lessor not later than 35 days prior to the expiry of the original period of the lease.
- (7) Short of any agreement to the contrary, an undertaking to assume full liability by the state may also take place in lieu of the conclusion of an insurance contract.
- (8) Lessee agrees to assume full liability for saving the objects of art from any measures intended to curtail the right to dispose or to possess, which measures are customarily applied in the Republic of Slovakia in any court, governmental agency or enforcement procedures. For this purpose, Lessee shall arrange for obtaining the certificate provided for the special protection of the objects of art and to be issued by the appropriate governmental agency, with the objective to secure such protection to the objects of arts leased from any other jurisdiction, and to take any other measures required under the laws of the Republic of Slovakia to provide such protection to the same effect.

Section 4. Packing and Transportation

- (1) The objects shall only be packed and dispatched, when the insurance policy and the export licences for object of art based on such policy have been received in original copy by the Lessor. The period of proceeding with the administration of the exportation amounts to 35 days.
- (2) The Lessee may only entrust with the arrangement of the transportation a company of international repute, having appropriate international references and practice in business of the transportation of objects of art, as well as appropriate means of transportation, which has been previously approved by the Lessor.
- (3) The transport vehicle shall be escorted by the armed guards of the Hungarian National Museum from the Lessor's seat up to the border of Hungary. In case of objects of art of high value, the Lessor may also prescribe escort by police covering the whole route of transportation. In such case, the purchase order for the escort by police shall be confirmed 5 days prior to the transportation. The costs of armed escort as well as of a potential escort by police shall be borne by the Lessee.
- (4) The objects of exhibition shall be transported in a manner agreed on by the Parties. The Lessor shall determine the method of transportation, the types of the materials to be used for packing, the method of packing, and it shall lay down the routes of the transportation to, and from. This shall also be applied to the necessity of escort by the Lessor's staff.
- (5) The Lessee shall bear all costs of packing, carriage, customs and insurance, including an escort by courier as agreed upon.
- (6) In case of objects of art of high value, two (2) persons shall escort the objects of art. In case of the required works of installation, a further courier of the Lessor may also be delegated to the site of the exhibition at the Lessee's expense, if so provided by this Agreement.
- (7) The management of the Leasing Institution shall decide whether or not the services of escort by courier are required. In case of escort by courier, the following rules shall be followed:
 - a) if the preparations for the installation of the objects have not yet been completed by the date of arrival of the courier or the necessary showcases are not yet available, the Lessee shall bear all costs incurred through the requisite longer stay of the courier (restorers) due to this reason;
 - b) the Lessee shall organise an appropriate accommodation for the period of stay of the courier, as well as for that of the restorer in the given case. The period of travel and the period of stay of the transport escort shall last in Hungary in each case one or two days, in Europe three or four days and overseas four or five days. Over and above that the courier's period of stay shall depend on the length of his/her travel and his/her obligations arisen at the site of the exhibition. In this respect, the contracting parties shall agree in due time prior to the commencement of the courier's travel. The courier (per diem, travel costs at the site of the exhibition) shall be paid directly, upon the day of arrival. The couriers must receive the documents required for travel, as well as the hotel's confirmation in respect of the booking of accommodation not later than 10 days prior to departure;

- c) the Lessor's couriers transporting some object as a hand luggage shall travel, at the Lessee's expense, in the flight class providing the highest possible safety for the courier and the leased object of art (in most cases, this is the club/business class).

Section 5. Exhibition and Storage Rooms, the Relevant Safety Measures

- (1) Lessee shall make a written proposal for the precautions and safety measures required to be taken for the protection of the objects. The Lessor may approve or revise the measures included in the Lessee's proposal and have them complemented at the Lessee's expense, if considered necessary.
- (2) Prior to the execution of the Lease Agreement the Lessor may request a facility report from the Lessee, which shall include, apart from the general architectural features, above all the conditions and status related to preservation, as well as the safety technology outfit of the exhibition and storage rooms. The plans of the exhibition rooms shall also be attached to this facility report.
- (3) The leased objects may only be placed in rooms, which have also been accepted by the Lessor, and which meet the relevant and generally accepted requirements for the protection of objects of art. The objects may only be exhibited in closable showcases, which are located in a hall secured by an alarm system and/or a supervising staff. In case of objects of art of a high value, the Lessor may also prescribe measures of individual protection.
- (4) In the exhibition and storage rooms, in which the objects shall be kept or presented, the values given in Annex No. 1, relating to temperature, relative humidity, light level and UV radiation, shall be strictly complied with, these values may not be lower or higher. At the Lessor's request, the Lessee shall prove or certify (in writing, if requested) compliance with the rules thus prescribed. The Lessor may prescribe the use of an appropriate registering measurement appliance to control the space climate.
- (5) In case of the violation of the above rules, the Lessor may require complementary provisions, or it may terminate the Agreement by notice with immediate effect in relation to the affected objects. In such case, the Lessee shall bear the costs incurred through the special carriage of returning the same back to the Lessor.
- (6) The Lessor's express written permit shall be required for any subsequent changing of the object's location or for any other move of the object. Prior to the handover, an appropriate condition report (inventory) shall be prepared on the condition of each object. This condition report shall be signed by both the Lessor and the Lessee. The costs incurred thereby (photos, etc.) shall be borne by the Lessee.
- (7) During the period of lease, the access of the Lessor or its proxy to the leased objects shall be secured in each case. Therefore, the Lessor's agents shall be provided access to the exhibition rooms during the opening hours and, in exceptionally justified cases, beyond these hours too.

Section 6. Obligations and Liabilities of the Lessee

- (1) The Lessee obliges itself to treat the leased objects with utmost care in each respect (relating to each element and feature thereof), to protect them against any damage and not to place them in jeopardy. The Lessee obliges itself not to alter the objects in any manner, whatsoever, it shall not, particularly, carry out or have any change carried out therein affecting the condition (in the frame, the passe-partout, the pedestal, etc.), any intervention, installation (not even for the purpose of fixation) or restoration, unless the Lessor has given thereto its prior written consent. The cleaning of the objects is also to be restricted to dust control carried out with full care and in a workmanlike manner.
- (2) The Lessee shall notify the Lessor forthwith, in writing, in the given case via phone of any change in the objects of art or the circumstances – of the jeopardy, deterioration of the condition, injury, loss, destruction of the objects of art, etc. –, and, simultaneously therewith, it shall meet its obligation of mitigating the damage occurred. In case of a damage threatened to occur or having already occurred, it shall, in addition, take all necessary measures without delay to hinder the causes of damage, to identify the person inflicting the damage and to secure the claims for damages, like e.g. reporting to the organs of public security. The specialists of the Lessor shall travel to the site for surveying the damage. All costs thereof shall be borne by the Lessee.
- (3) In case of an event of damage relating to the objects, only emergency measures for preservation may be taken prior to the Lessor's decision, which are required to hinder the menacing increase of the

damage. Minutes accompanied with photos shall be drawn up on the manner of change or infliction of damages.

- (4) In case of theft, loss, or full destruction, etc., the maximum liability (insurance) amount specified in Annex No. 1 shall be refunded, while in case of a partial and repairable injury, the leased object shall be returned without delay, after the closing of the police investigation, and the expenditure on restoration determined as binding, as well as the depreciation determined as binding by the Lessor shall be refunded, which may reach the maximum amount of liability, for the case of which, the Lessee hereby waives disputing the fairness. The damaged or "destroyed" object shall remain the Lessor's property.
- (5) Notwithstanding the existence of insurance the Lessee shall be liable to the Lessor for any damage to, particularly the theft, loss, destruction of or injury to the leased object of art, should it occur through any person whomsoever, and both for its own or a third party's imputable conduct of any type whatsoever, as well as for accidents, if the damage had not occurred without the conclusion of this Agreement (without the relevant preparations and transportation), the burden of proof of which shall lie with the Lessee.
- (6) The Lessee shall also assume liability for the damages caused by any active biological infection, in case the commencement of contamination, on the basis of the biological life cycle of the given infection, has been occurred during the term of the loan, but became visible during the 6 months after return of the leased objects.
- (7) The Lessee shall be liable for damages, if the insurer is in delay with the settlement of the insurance proceeds despite the valid insurance, or the rate of the proceeds paid by the insurer is below the fixed insured value. This provision shall be viewed in conjunction with Section 3(2) of this Agreement. If the claim for damages exceeds, in case of destruction or other damage, the amount offered by the insurer, the Lessee shall settle the remaining portion without delay.

Section 7. Termination

- (1) The Lessee may at any time offer to return the objects, and the Lessor may not refuse, without reasonable grounds, to retake of the objects (ordinary notice of termination).
- (2) The Lessor is at any time entitled to request the return of the objects, in case of the existence of important reasons (termination by notice with immediate effect). Such reasons include, particularly the following:
 - a) the Lessee fails to use the object(s) for the purpose defined in Section 1(2) or (3), or the use of the object(s) for the specified purpose has become impossible;
 - b) the Lessee violates any obligations assumed under this Agreement, or the Parties' relationship deteriorated due to the Lessee's conduct;
 - c) the Lessee defaults in, jeopardises, or neglects exercising the due level of the care by which it is bound, in contravention of this Agreement;
 - d) the Lessee fails to transport, store, exhibit etc. the objects(s) in the manner prescribed in this Agreement;
 - e) any use contrary to the Agreement or any improper use affecting the object(s), particularly the forwarding, without permit, of the object subject to this Agreement, to a third party;
 - f) the Lessee fails to have an appropriate insurance in respect of the objects (in accordance with the provisions of this Agreement – see in this respect Section 3), or the term of this insurance expired without extension, or the conditions of insurance have been prejudicially amended without the permit of MNM;
 - g) filing for, initiation and/or opening of, insolvency, voluntary or involuntary winding-up proceedings or preliminary insolvency proceedings against the Lessee in the country, where the Lessee's seat is located, or in another country;
 - h) appointment of administrator for the Lessee, termination or winding-up of the Lessee (if it is a legal entity).
- (3) The Lessor may also request the return of the objects, if the Lessor needs the objects subject to this Agreement due to reasons, which were unknown upon the execution of this Agreement.

- (4) In case of a receiver is appointed to the assets of the Lessee, the legal relation arisen out of this Agreement shall cease to exist by operation of law. In such case, the receiver appointed shall return the object(s) to the Lessor without delay.
- (5) The costs of premature re-transportation shall be borne by the Lessee. In case of premature request for the return Lessee may not claim the refund of any expenditure whatsoever.

Section 8. Naming the Lessor at the Place of Destination of the Objects

- (1) The Lessee obliges itself to name the Lessor at the exhibition, in the catalogue and in case of other publications in connection with the lease in the following way: "Hungarian National Museum, Budapest".
- (2) In case of each leased and exhibited object the Lessor's name shall be indicated at a conspicuous place in the following way: "Hungarian National Museum, Budapest".

Section 9. Catalogue and Promotion, Photos, TV and Film Recordings

- (1) The Lessor grants a license for the publication/utilisation of the photos and other recordings prepared on the leased objects, as follows:
 - a) the Lessor shall hand over to the Lessee the photos (prepared by the Lessor's photographers) of the leased objects for the purpose of reproduction in the catalogue of the exhibition and for the exhibition's publication in the press through the prospectus material. The copyrights of the photos prepared for this purpose shall remain the Lessor's property, the use for any purposes other than those specified in this Agreement is forbidden. Thus, photos prepared in this way and handed over for such purpose may be used exclusively for this exhibition and for the the purposes specified above.
 - b) Film and television recordings may be prepared, and pictures and texts for display on the Internet or for the production of CD-ROMs may be digitalised exclusively after the Lessor's prior permit and only in view-image quality (75 dpi). Such recordings may only be prepared and data may only be recorded in compliance with the precautions taken in respect of the preservation, and they may not be used for any purpose, whatsoever, without the Lessor's permit, apart from the use agreed upon by the Parties.
- (2) The headings of the catalogue shall be prepared by the special museologists of the institution caring the leased objects. The author(s) entitled to a certain fee for preparing the headings, about this the author and the Lessee shall agree in a separate agreement. The agreed fee has to be transferred by the Lessee directly to the account of the author(s) in 30 day from the handover of the headings.
- (3) The Lessee agrees to make available, after the publication of the exhibition's catalogue, poster or other publications without delay, 4 copies thereof to the Lessor free of charge. The Lessee shall make available a further copy of the catalogue for each author.
- (4) It is strictly forbidden to prepare postcards, prints, transparencies without permit, to digitalise them or to otherwise reproduce them without permit, all these require a separate written agreement in writing by and between the Parties. The Lessee shall take due care of securing that third parties should not produce such recordings either, without the Lessor's permit. In this respect, the Lessee shall fully indemnify and keep harmless the Lessor from, against and in respect of, claims made in any manner, on any legal basis and by any person. The Lessee shall be fully liable for any copyright claims potentially arising.
- (5) Contracting Parties declare mutually and unanimously that both the ownership right and the relevant copyrights relating to the objects of art subject to this Agreement shall remain unaltered with the Lessor.

Section 10. Other Provisions

- (1) This Agreement may only be amended and complemented in writing. This Agreement shall supersede any and all oral side agreements, which have or may have been made in respect of the subject-matter hereof.

- (2) The Parties agree that they will settle any potential disputed issues above all in amicable manner, through negotiations. Should such negotiations fail, the Parties hereby agree to submit each legal dispute resulting from this Agreement to the exclusive jurisdiction of the ordinary court having the appropriate competence and venue upon the basis of the Lessor's seat. The Parties declare that in their potential legal dispute, they will act exclusively according to the laws of Hungary and they deem this Agreement to have been construed in accordance with the provisions of such laws.
- (3) This Agreement has been prepared in both Hungarian and English language versions, both of which versions shall be deemed to have equal legal force, and to be equally authentic originals of this Agreement. Further translations into foreign languages are permissible, but they are not to be deemed authentic versions.
- (4) This Agreement contains seven (7) numbered pages. Two annexes constitute inseparable parts of this Agreement, which annexes have been attached to this Agreement with the following titles and page numbers:

Annex No. 1	List of the leased objects	(8. page)
Annex No. 2	Complementary Regulations	(9. page)

Upon the execution of this Agreement through its duly authorized officer or representative, the Lessee agrees to be bound by any and each provision of this Agreement. The Agreement shall come take effect upon execution by the Lessor.

Csorba László 
Director General of MNM

place and date

Alexandra Kusá Phd.
the Director General of SNG

place and date

Annex No. 1.

List of the leased objets

Csorba László
Director General of MNM

place and date

Alexandra Kusá Phd.
the Director General of SNG

place and date

Annex No. 2.

Complementary Regulations

- 1.) The objects will be ensured by the UNIQA Insurance Company.
- 2.) The objects will be transported by IGS - HS Art Service, s.r.o. (Riečna 1, 815 13 Bratislava, Slovakia)
- 3.) The packing and installation of the objects and the dismantling of the exhibition at each venue of the exhibition are supervised by the Lessor's courier(s) whose journey shall be organized by the Lessee according to the 4.§ 7/b of the present agreement. All expenses incurred (travel, insurance, accomodation with breakfast, per diem 50 €) shall be covered by the Lessee.

László Csorba
Director General of MNM

place and date

Alexandra Kusá Phd.
the Director General of SNG

place and date